



PARKS AND RECREATION, STATE FUNDS REDUCTION CONCEPTS

NATURAL RESOURCES, AGRICULTURE, & ENVIRONMENTAL QUALITY APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

We have been asked to provide a list of suggestions that could potentially reduce the appropriations from the General Fund to agencies overseen by the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee. This list was intended to be used as a starting point for committee's discussions and potential legislative actions.

We used the assumption that although the agencies overseen by this appropriations subcommittee are generally very efficient, there are additional ways to reduce the state appropriations, while allowing the public to receive the needed services. For example, in some instances a portion of the state funds can be replaced with other funding sources, such as user fees. Also, some of the functions currently performed exclusively by state entities can be done by private companies or other government entities if the statute would allow and if proper oversight be put in place.

We identified the following general categories where such potential state fund reductions could be made. For additional explanations and examples of these categories, please see Appendix A.

1. **User fees:** replace a portion of the General Fund appropriations with user fees.
2. **Increase self-checking and self-reporting:** require a greater portion of the inspections and testing currently done by state employees to be transferred to the regulated industry/public, who may be required to self-report or to hire a third-party for verifications.
3. **Allow competition:** allow private or other government organizations to compete against each other and the state for services currently provided solely by state agencies.
4. **Outsource services:** contract with private or other government entities to take over the services currently provided by state agency.
5. **Eliminate government intervention:** some services can be provided through delegated standards without a formal structure of state government directly involved. This puts the burden on the industry to provide the services while still allowing the state to set the standards.

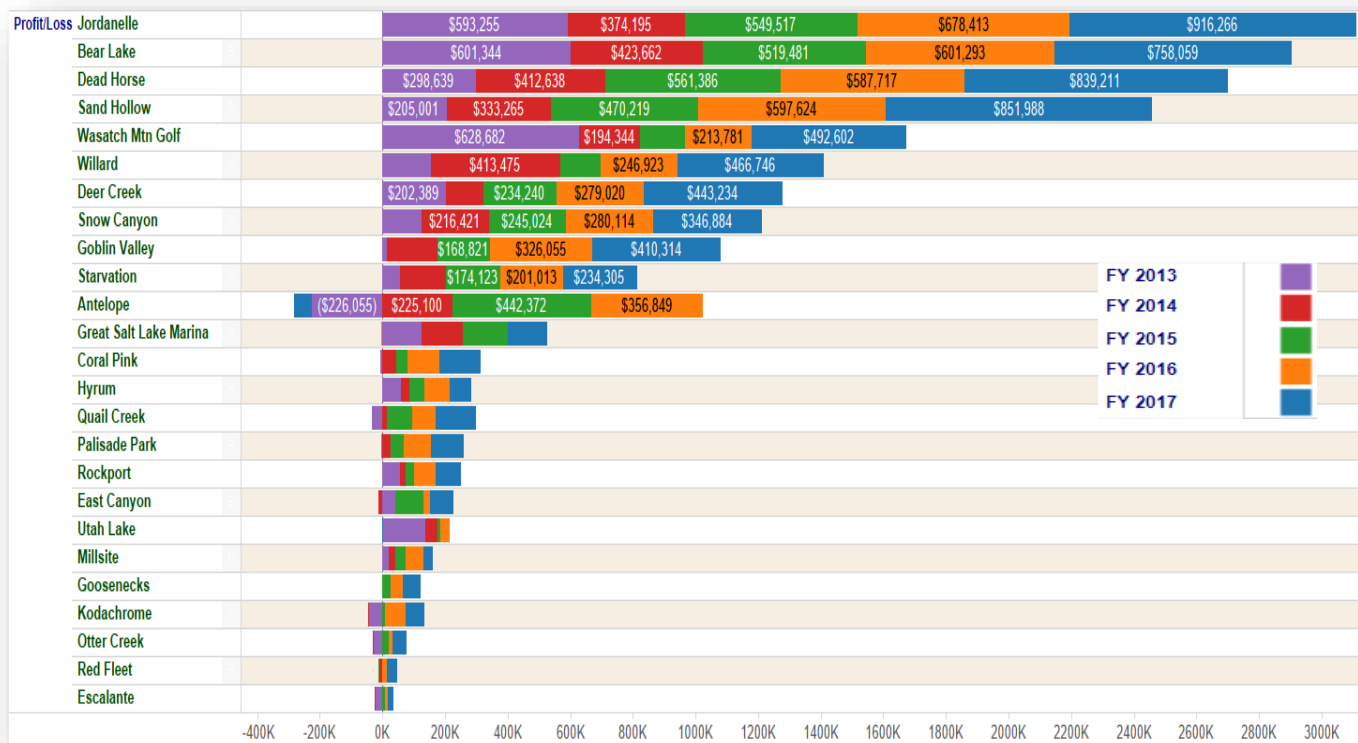
The tables below list the programs of the Division of Parks and Recreation and show the funding mix, expenditure categories, and staff and vehicles count by program. The division has two line items: the operations and capital.

In the first table, which shows the FY 2019 amounts by funding source (as included in the [Base Budget Bill, H.B. 5](#)), we have assigned in the first column (titled "Possible Action") one or more of above categories to the programs where applicable.

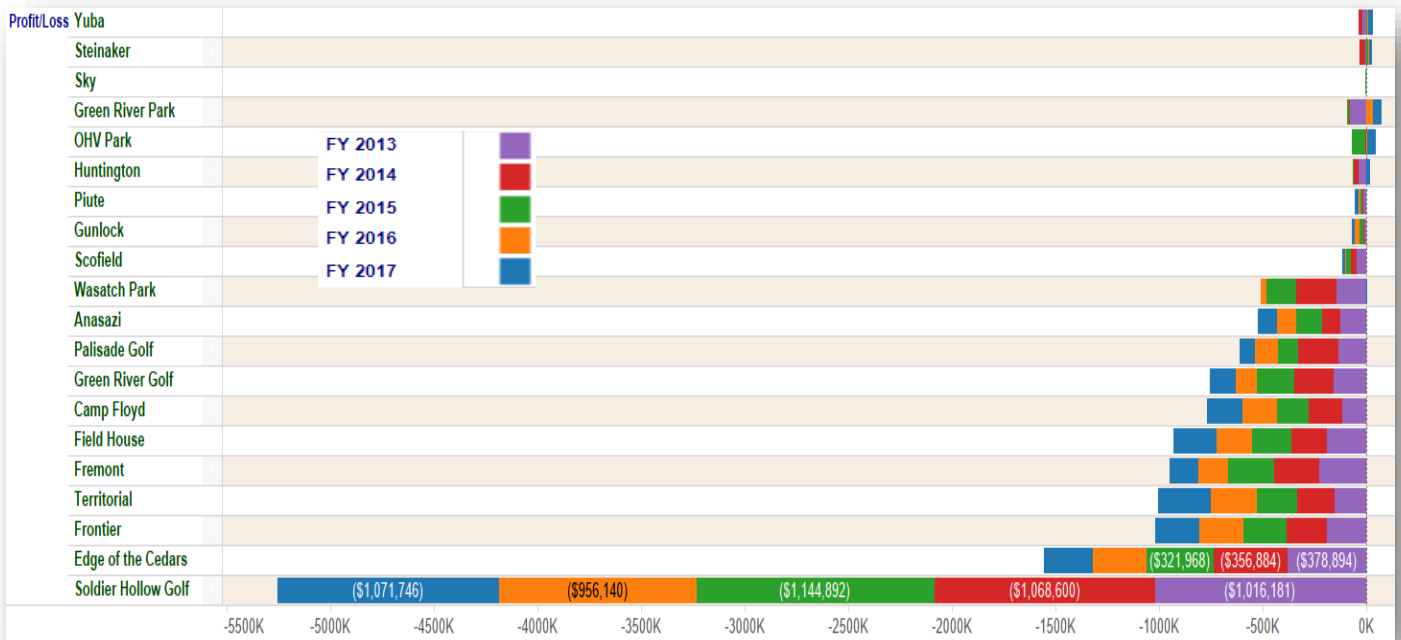
FY 2019 Base Budget by Program and Funding Mix

Line	Possible Action	Programs by Line Item	State Funds	Federal Funds	Ded. Credits	Restricted	Transfers
1		Parks and Recreation					
2		Executive Management	17,300	13,400		789,700	
3		Park Management Contracts	1,000,000		80,100	4,000	
4		Park Operation Management	2,969,900	4,000	692,200	25,369,300	0
5	User fees	Planning and Design	523,300			332,900	35,800
6		Recreation Services	4,700	1,509,800	238,200	86,600	
7		Support Services	87,300		41,200	1,933,600	
8		Parks and Recreation Capital					
9		Boat Access Grants				350,000	
10		Donated Capital Projects			25,000		
11		Land and Water Conservation		447,600			
12		Major Renovation	8,500			450,000	
13		Off-highway Vehicle Grants				175,000	
14		Region Renovation				100,000	
15		Renovation and Development	31,200	212,500		303,000	
16		Trails Program		2,459,600		30,000	

25 of the 43 parks managed by the Division of Parks and Recreation generate enough revenues to pay for their operations (see <https://public.tableau.com/profile/ivan8177#!/vizhome/ParksProfit-LossFY2013-2015/Published>). All of these are recreational parks. Below is the graph of the parks that have generated profit in the last five years.

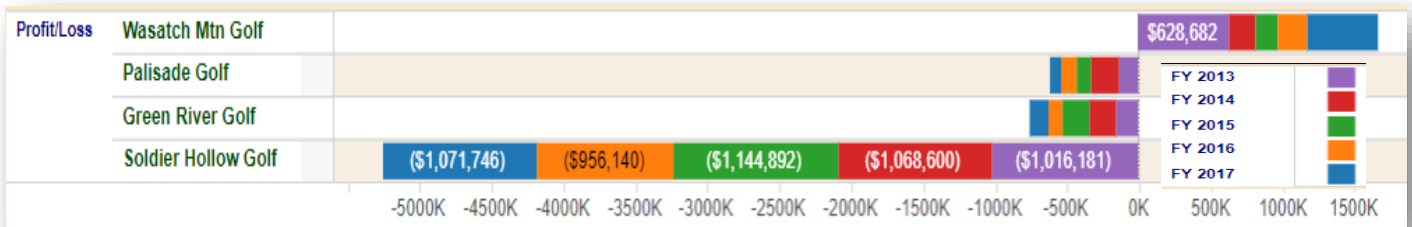


The following figure lists the remaining parks that over the past five years did not cover their operational expenses. On this list are all the state heritage parks (museums) and three of the four golf courses.



Parks' General Fund appropriation (\$4.6 million or 12% of the FY 2019 budget) is typically used for the operations of the museums in the division, since the entrance fees collected by these parks cannot cover their staff and maintenance costs. The \$1 million state funds in the Park Management Contracts program is paid as a management fee to This Is The Place Foundation, whose staff manages This Is The Place Heritage Park.

The division also has four golf courses: Wasatch Mountain, Palisade, Green River, and Soldier Hollow. Of the four facilities, only one, Wasatch Mountain, generates more revenues than it costs to operate (see figure below). And in the last five years, the four golf facilities combined have run a deficit of over \$5 million (Soldier Hollow has averaged \$1 million deficit per year). Though the subsidy for the golf courses does not come from the General Fund, the Legislature may want to consider outsourcing the operations of the golf courses if there would be a credible private entity that could manage these facilities at a profit or at a reduced deficit.



Would the committee like to pursue any of these possibilities and direct staff to get more information?

The following pages contain details about the expenditures, FTE and Vehicles counts by program, as well as descriptions for each program, in order to provide a better understanding of what is currently budgeted to be "purchased" with the appropriations for FY 2019 in the Base Budget Bill.

Expenditures

Line	Programs in Line Item	Personnel Services	In-state Travel	Out-of-state Travel	Current Expense	DP Current Expense	DP Capital Outlay	Pass Thru
1	Parks and Recreation							
2	Executive Management	659,000	6,600	1,300	134,000	19,500		
3	Park Management Contracts				80,100			1,004,000
4	Park Operation Management	16,752,400	75,000	4,000	9,976,500	400,000		1,582,500
5	Planning and Design	306,300	3,100		550,100	24,400		
6	Recreation Services	1,504,000	13,900	10,200	100,000	26,900		78,400
7	Support Services	1,015,100	9,800	1,100	222,800	24,900	0	787,100
8	Parks and Recreation Capital							
9	Donated Capital Projects				25,000			
10	Land and Water Conservation							447,600
11	Region Renovation				100,000			
12	Renovation and Development							476,700
13	Trails Program							0

Staff and Vehicles

Line		FTE	Vehicles
1	Parks and Recreation		
2	Executive Management	4	
3	Park Operation Management	266	161
4	Planning and Design	3	2
5	Recreation Services	17	5
6	Support Services	10	2

Mission: To enhance the quality of life by preserving and providing natural, cultural, and recreational resources for the enjoyment, education, and inspiration of this and future generations.

Programs Descriptions

Executive Management

The Executive Management program includes the Director and Parks Board. UCA 79-4-202 provides that "the Director shall have the responsibility for: acquisition, planning, protection, development, operation, use, and maintenance of park areas and facilities in such manner as may be established by the policies and rules and regulations of the board." The board includes nine members appointed from each judicial district and one from the public at-large, no more than five of which may be from the same political party.

Park Management Contracts

In June of 1998, the division signed a management agreement with the This Is The Place Foundation, under which the Foundation agreed to undertake all phases of operating the [This Is The Place Heritage Park](#). The Legislature currently appropriates \$1 million from the General Fund as a management fee to the Foundation to assist in the maintenance and operation of the park. This program also manages a contract with the Mountain Trails Foundation, which oversees the maintenance and operation of the Historic Union Pacific Rail Trail State Park.

Park Operation Management

The Park Operation Management program provides for the daily operations of the 43 state parks. Hosting the public, interpretation, law enforcement, park maintenance, and administrative functions within the parks are done within this program. This is the largest and most comprehensive program in the division.

Park rangers enforce water safety at state park and non-park sites, such as Lake Powell, and Flaming Gorge. They also enforce OHV regulations and help police patrol the state-wide trail system. During the winter, staff grooms snowmobile trails and assists with other needs.

State parks are divided into three categories: Heritage, Recreation, or Scenic. Each park is unique and requires unique knowledge and experience from the park manager.

Planning and Design

[UCA 79-4-305](#) requires the division to formulate a comprehensive plan and program for the acquisition, protection, operation, maintenance, and development of areas of scenic beauty, recreational utility, historic, archaeological or scientific interest. The Planning and Design program also coordinates construction of facilities and implementation of development priorities within the division. The staff works with the Division of Facilities Construction and Management (DFCM) to ensure the most effective use of state development funds.

Recreational Services

The Recreation Services program encompasses the statewide boating coordination, OHV coordination, trails coordination, heritage coordination, and maintenance services.

Support Services

The Support Services program is responsible for the marketing, business development, public affairs, volunteer coordination, information technology, fiscal management, risk management, contract administration, reservation services, grant administration, and protective services and training ([UCA 79-4-501](#)).

Boat Access Grants

This [Boat Access Grants Program](#) provides state capital matching funds for federal Wallop-Breaux funding used in the development of boating access sites throughout the state. With limited boating areas in the state, this program seeks to maximize the use of all available areas for boating and fishing access. This program also provides funding for the implementation of the Clean Vessel Act.

Donated Capital Projects

The Donated Capital Projects program accounts for donations to the division for specific parks and projects within those parks. Visitors and special interest groups contribute toward special projects that otherwise may not receive funding.

Land Acquisition

The Land Acquisition program provides the capital funding for the acquisition of land parcels. Funding comes from the collection of land lease and sale revenue.

Land and Water Conservation

The [Land and Water Conservation Fund Act](#) was established by Congress in 1965. It created a federal reimbursement grant program for the acquisition and/or development of public outdoor recreation areas. Federal oversight of the program is provided by the National Park Service; however, the program is administered locally by the State of Utah, through the Division of Parks and Recreation. Any site/facility that is purchased, developed, or improved with funding from this grant is protected in perpetuity as a public outdoor recreation area. Since its inception, the Land and Water Conservation Fund (LWCF) program has funded more than 400 projects in Utah totaling more than \$47 million in assistance. The LWCF is a 50-50 matching reimbursement program. The grant recipient must be able to fund 100 percent of the project, while seeking periodic reimbursements for eligible expenses from the program.

Major Renovation

The Major Renovation program was created to fund the significant renovations in the state parks.

Off-highway Vehicle Grants

The [Off-highway Vehicle Grants Program](#) provides for matching grants with federal agencies and local governments in the acquisition of land and development of Off-Highway Vehicles (OHV) riding areas (see [UCA 41-22-19](#)). Although Utah has a vast amount of public land, there are few areas, especially on the Wasatch Front, where people can ride their OHVs in a legal, managed area. This program helps to provide access to areas where this popular form of recreation can be done and can be managed (click on the link <http://stateparks.utah.gov/ohv> to go to the website).

Region Renovation

The Region Renovation program provides funding for park specific projects, such as construction of an amphitheater or replacement of docks or mooring buoys.

Renovation and Development

The Renovation and Development program provides the capital funding for facility development and for renovation of park infrastructure. Only small renovation projects of less than \$100,000 are included here. These are projects that are too small for recognition in DFCM priorities and are of an emergency nature. This program also provides for the acquisition and new development of property where funds can be matched with federal or other sources. There are often opportunities to accept these other funds when matching funds are available. These are usually smaller development projects or small parcels of land for boundary corrections and small in-holdings within larger parks.

Trails Program

The [Trails Program](#) is primarily a federal pass-through grant program which helps meet the increasing demands for linear parks and trail development by providing matching funds to local communities. The funding is used for the acquisition and development of recreational trails and trail crossings, without obligating the state government to operate or maintain these facilities. The Recreational Trails Advisory Council makes recommendations to the board and the division regarding the program. The [National Recreational Trails](#) portion of this program is funded through the Federal Highway Administration. The money is to be used for creation of non-motorized trails. The division acts as an intermediary by passing the funds through to qualifying public entities.

Appendix A

1. **User fees:** replace a portion or all the General Fund appropriations with user fees. This will allow the state entity to continue the same level of services and staffing, while reducing the general tax dollars. It may or may not mean increasing fees to generate more revenue with which to replace the General Fund. An example of this is the Division of Parks and Recreation shifting the majority of its finding from the General Fund to parks visitors' fees.
2. **Increase self-checking and self-reporting:** require a greater portion of the inspections and testing currently done by state employees to be transferred to the regulated industry/public, who may be required to self-report or to hire a third-party for verifications. This would potentially reduce the workload of the state agency, which would result in reduction in state staff and travel expenses. This could be similar to reporting and paying income taxes. The individual or corporation self-reports, with the understanding that reports are enforced through audits. Another example of this is the elimination of the state-mandated vehicle safety inspections for vehicle registration.

3. **Allow competition:** allow private or other government organizations to compete against each other and the state for services currently provided solely by state agencies. Competition could breed innovation and increase the quality of services and/or reduce the costs to the industry/public paying for the services. An example of this is the Organic certification process.
4. **Outsource services:** contract with private or other government entities for the services currently provided by state agency. Initially, the costs may remain the same, but it could be reduced over time, as competition to provide the services increases. Many services in state government are provided through contracting, and perhaps more could be. Examples of this is UDOT and road construction and This Is The Place Foundation managing the heritage park.
5. **Eliminate government intervention:** some services can be provided through delegated standards without being a formal structure of state government. This puts the burden on the industry to provide the services while still allowing the state to set the standards. An example of this is industry certifications and industry standards, such as the Certified Public Accountant (CPA) and the Governmental Accounting Standards Board (GASB).